

## **PART 831—CONTRACT COST PRINCIPLES AND PROCEDURES**

### **TABLE OF CONTENTS**

#### **SUBPART 831.70—CONTRACT COST PRINCIPLES AND PROCEDURES**

Sec.	
831.7000	Scope of part.
831.7001	Allowable cost under cost reimbursement vocational rehabilitation and education contracts or agreements.
831.7001-1	Tuition.
831.7001-2	Special services or courses.
831.7001-3	Books, supplies and equipment required to be personally owned.
831.7001-4	Medical services and hospital care.
831.7001-5	Secretary's Decision No. 557.
831.7001-6	Consumable instructional supplies.
831.7001-7	Reimbursement for other supplies and services.

**[BLANK PAGE]**

**Part 831 - Contract Cost Principles and Procedures**

---

**PART 831 - CONTRACT COST PRINCIPLES AND PROCEDURES**

**SUBPART 831.70 - CONTRACT COST PRINCIPLES AND PROCEDURES**

**831.7000 Scope of subpart.**

This subpart contains general cost principles and procedures for the determination and allowance of costs in connection with the negotiation and administration of cost reimbursement type contracts pertaining to the furnishing of vocational rehabilitation, education, and training to eligible veterans under chapter 31 of Title 38, United States Code.

**831.7001 Allowable costs under cost reimbursement vocational rehabilitation and education contracts or agreements.**

**831.7001-1 Tuition.**

(a) Except as provided in this section, when the contractor has a customary cost of tuition the charge to the Department of Veterans Affairs may not exceed that charged to similarly circumstanced nonveteran students; provided that where the contractor has more than one standard charge for the same service, the charge to the Department of Veterans Affairs will be the lowest price for the entire course, semester, quarter, or term which is offered or published.

(b) VA will not normally pay tuition or incidental fees to institutions or establishments furnishing apprentice or other training on-the-job. VA may pay:

(1) For such charges customarily made by nonprofit workshop or similar establishment for providing work adjustment training to similarly circumstanced nonveterans even though an incentive wage is paid the trainee as part of the training; or

(2) For certain training expenses incurred by an employer providing on-the-job training following rehabilitation to the point of employability when such additional training is determined to be necessary by VA.

(c) When the total cost of instruction is paid from Federal funds or a portion of the cost is covered by grants from the Federal Government, i.e., Smith-Hughes or other laws, excluding Federal Land Grant Funds, such

## Part 831 - Contract Cost Principles and Procedures

---

subsidy will be taken into consideration in determining the charge to the Department of Veterans Affairs. The term, Federal Land Grant Funds, refers to those received under the Morrill-Nelson Act (Morrill Acts of 1862 and 1890 and the Nelson amendment of 1907) and section 22 of the Bankhead-Jones Act of 1935.

(d) Payments on behalf of a veteran who receives a fellowship, scholarship, grant-in-aid, assistantship, or similar award in complete or partial payment of tuition or fees or both will be made in accordance with the following:

(1) The award will reduce, to the extent of the award, the amount of tuition or fee or both that is payable by the Department of Veterans Affairs.

(2) Awards which are not paid in cash, except those which are made specifically for the purpose of defraying the cost of room and board in dormitories which will be disregarded, will reduce to the extent of the award the charges for which the Department of Veterans Affairs is responsible.

(3) Cash awards may be retained by the veterans and will not be deducted from charges ordinarily paid by the Department of Veterans Affairs.

(4) Waivers of tuition and fees provided under law by States or other Government authority will be utilized to reduce the charges payable by Department of Veterans Affairs in accordance with such waivers.

(e) Enrollment fees in an amount sufficient to cover the cost of registration may be paid, provided the institution or training establishment usually makes such a charge, and it does not exceed that charge made to other students or trainees.

### **831.7001-2 Special services or courses.**

Special services or courses are those services requested by the Department of Veterans Affairs which are over and above those customarily required by the institution for similarly circumstanced nonveterans and are considered by the contracting officer to be necessary for the rehabilitation of the trainee. The costs of such special services or courses will be negotiated prior to being requested by the Department of Veterans Affairs.

**Part 831 - Contract Cost Principles and Procedures**

---

**831.7001-3 Books, supplies and equipment required to be personally owned.**

(a) Reimbursement for books, supplies, or equipment and referred to as supplies, will be made as provided in this section.

(1) Reimbursement will be made for those supplies customarily required to be owned personally by all students taking the same course or courses except that reimbursement may be made for items which are not specifically required by the school for pursuit of the course, but are determined to be needed by VA because of the demands of the course, general possession by other students, and the disadvantage imposed on the veterans by not having the item. In no instance will the supplies be in a greater variety, quality, or amount than required of nonveteran students. In this instance required is in contradistinction to requested or desirable to have or necessary for a future profession or job but not required by the institution of all students in the course.

(2) When supplies are available in several prices, grades, or qualities, reimbursement may be made only for such quality or grade that will meet the requirements.

(3) Partial payment agreements in which the Department of Veterans Affairs shares payment with the veterans is not allowable.

(4) The costs incurred by the institution in connection with the veteran's thesis such as typing, printing, microfilming, or otherwise reproducing the required number of copies; research expenses when certified by the veterans committee chairman, major professor, department head, or appropriate dean that such expenses are required in order to complete the course requiring the preparation of a thesis are considered as supplies and are authorized for reimbursement.

(5) When the institution operates a bookstore or supply store for all students the reimbursement for supplies issued to trainees will be no greater than charges made to nonveteran students.

(6) Where the institution, training establishment, or employer arranges for issuance of supplies to all students by stores or establishments not institutionally owned and to pay such store or establishment for supplies issued to trainees, reimbursement is allowable provided the charges are no greater than those paid by nonveterans or to the institutions whichever is the lesser.

**Part 831 - Contract Cost Principles and Procedures**

---

(7) Supplies purchased by the institution specifically for trainees will be reimbursed at the net cost to the institution.

(8) Where the institution does not provide or arrange for issuance of generally required books, tools and supplies for students attending the facility, the institution, in cooperation with VA, may designate certain stores and establishments to provide generally required books, tools and supplies for veterans pursuing a vocational rehabilitation program. The vendor will be reimbursed in the same manner as for supplies provided or arranged for by the institutions.

(9) Where it is customary in a survey subject to permit each student to obtain the aggregate of books for the subject on a rental basis (commonly referred to as a rental set) and the ownership or permanent possession by the student is not required, reimbursement is authorized for the rental charge provided it does not exceed the charge made to nonveteran students.

(10) Educational and training institutions furnishing supplies to trainees which are required to be owned personally or on a rental basis by all students pursuing the same or similar course may be compensated for such services in an amount not exceeding 10 percent of the allowable charge for the supplies furnished or rented except:

(i) Where the tuition covers the charges for supplies or rentals or a stipulated fee is assessed all students, handling charges are not allowable.

(ii) The handling charge is not allowable for Government-owned books procured by the institution from the Library of Congress.

(iii) In cases where an item of equipment will exceed \$50 in cost, effort will be made to secure a lower handling charge than for those costing a lesser amount. The agreed percent for such handling charges will be included in the contract or added as an addendum.

**Part 831 - Contract Cost Principles and Procedures**

---

**831.7001-4 Medical services and hospital care.**

(a) VA may pay the customary student health fee when payment of the fee is required for similarly circumstanced nonveterans. If payment of the fee is not required for similarly circumstanced nonveterans payment, payment may be made if it is determined by the Veterans Health Administration that such payment is in the best interest of the veteran and the Government.

(b) Where medical services or hospital care not covered by the customary students health fee are available in the school operated facilities or arrangements have been made by the institution with doctors and hospitals in the immediate area, reimbursement by the Veterans Benefits Administration for such services may be made in a contract for such services provided that the Director, VA Medical Center, determines:

(1) That such arrangements are necessary to provide timely medical care for veterans attending the facility under provisions of Chapter 31; and

(2) The general rates established for such services do not exceed the rates established by the Under Secretary for Health.

(c) VA may reimburse a rehabilitation facility for incidental medical services provided during a veteran's program at the facility.

**831.7001-5 Secretary's Decision No. 557.**

(a) Fees and expenses authorized under Secretary's Decision No. 557 may be authorized for payment when the educational institution or training establishment makes such payments on behalf of the veteran.

(b) Payment for fees and expenses not made by the educational institution or training establishment will be made in accordance with the applicable provisions of parts 812, 813 or 815 of this chapter and FAR parts 12, 13, or 15.

**Part 831 - Contract Cost Principles and Procedures**

---

**831.7001-6 Consumable instructional supplies.**

(a) Reimbursement for consumable instructional supplies which institutions require for the instruction of all students, veteran or nonveteran, pursuing the same or comparable course or courses will be made when:

- (1) The supplies are entirely consumed in the fabrication of a required project.
- (2) The supplies are not consumed but are of such a nature that they cannot be salvaged from the end product for reuse for further instructions by disassembling or dismantling the end product.

(b) Reimbursement for consumable instructional supplies is not allowable when:

- (1) The supplies can be salvaged for reuse.
- (2) The supplies used in a project which has been elected by the student as an alternate class project in order to produce an end product of greater value than that which is normally required to learn the skills of the occupation and which will become his property upon completion.
- (3) The supplies used in a project which has been selected by the institution to provide the student with a more elaborate end product than is required to provide adequate instruction as an inducement to the veteran to elect a particular course of study.
- (4) The salable value of the end product is equal to or greater than the cost of supplies used in its fabrication or assembly and a reasonable use has not been made of such supplies so that they are not readily salvaged from the end product to be reused for instructional purposes.
- (5) The end product is of permanent value and retained by the institution.
- (6) A third party provides the articles or equipment for repair or improvement and for which he or she would otherwise pay a commercial price.



**Part 831 - Contract Cost Principles and Procedures**

---

(7) The number of projects resulting in end products in excess of the numbers normally required to teach the recognized job operations and processes of the occupation stipulated in the approved course of study.

(8) The cost of supplies are included in the charge for tuition or as a fee designated for such purpose.

**831.7001-7 Reimbursement for other supplies and services.**

Reimbursement shall be made for other services and assistance which may be authorized under provisions of applicable Chapter 31 regulations including but not limited to employment and self-employment, initial and extended evaluation, and independent living services.

**[BLANK PAGE]**